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2013 NOV -6 A 10: 13

November 1, 2013

AZ CORP COMMISSION
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Arizona Corporation Commission

DOCKETED

NOV 06 2013

Re: Payson Water Co., Inc.; Docket # W-03514A-13-0111 & W-03514A-13-0142

Dear Ms. Bramble:

DOCKETED BY

I am the policy advisor to Commissioner Brenda Burns at the Arizona Corporation Commission (ACC). Thank you for your input regarding the Payson Water Company rate case. Your concerns, and the issues you raised, have been entered into the record and can be located on the ACC's website on eDocket <http://edocket.azcc.gov/edocket/>

Payson Water Company's current rates and charges were established in Decision # 62320 (February 17, 2000) and No #62401 (March 30, 2000), based on a 1998 test year. A subsequent rate change was approved in Decision #71902 (September 28, 2010) for a water augmentation surcharge to recover water hauling costs incurred for the Mesa del Caballo system.

A hearing was held on October 16 that only concerned a financing request involving Mesa del Caballo customers. In that hearing, the ACC approved the company to seek a \$275,000 loan from WIFA for the purpose of financing the construction of a new water transmission line to connect its Mesa del Caballo system to the Town of Payson's water system. Only Mesa del Caballo customers will pay the surcharge for that WIFA loan.

Your letter concerned the Payson Water Case application for a rate increase. The first hearing for that case will be held on January 13, 2014. You are welcome to attend the hearing and/or submit a letter to the docket with your views.

Commissioner Burns sits as a judge, with her four other colleagues, when deciding rate cases. Therefore, Ex Parte Rules apply and she is bound by those rules when communicating with companies, rate payers and interested stakeholders. However, Commissioner Burns always welcomes input from ratepayers and all matters entered into the record help her make an informed decision.

If you have any questions, please let us know. Once again, thank you for your input.

Sincerely,

Thomas Galvin
Policy Advisor to Commissioner Brenda Burns